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October 1, 2012

Open Enrollment Kick-Off 2013

The open enrollment period for 2013 benefits is just around the corner. We want to help you make the best choices for your health needs and those of your family. We also want to tell you about an exciting new tool that will help you make better consumer decisions.

Even though the cost of healthcare continues to rise all across the country, I am pleased to report to you that the participation of our members in the Consumer Driven Health Plans (CDHP) has had a positive impact on our experience. We expect our healthcare costs to increase \$28.5 million for 2013. This is \$5 million less than last year which can be attributed to the smarter choices our members are making. The state will contribute \$14.5M, more than 50%, to help offset this increase.

Some of the expected increase can be attributed to the Affordable Care Act (ACA), which adds more than \$1M of costs to our plan for 2013. Health service providers and employers have been preparing for the impact of the ACA, and our plans have already absorbed more than \$2M annually implementing the new requirements. Even with these increases, by being better consumers and making healthier choices, our savings are evident and can only improve. How can we improve, you ask?

The Benefits Team spent the past year working with our partners to develop better tools for transparency which will allow our members to shop wisely for health services. Making good consumer choices means better health outcomes and lower costs. Whether it be a surgical procedure such as a knee replacement, an outpatient MRI or a lab test, our new toolset will enable you to find the best price and the quality rating for a provider and facility...all this while simultaneously showing you up-to-date deductible spending incurred during your benefit plan year. We will profile this exciting new tool for you during open enrollment. Look for the launch of our brand new tool in the first quarter of 2013.

In addition to shopping for health care, we want to encourage you to continue to actively have a plan for your overall health. Our lifestyle choices have the greatest correlation to our well-being. When we shop for healthy foods and seek out ways to increase our physical activity, we reduce our risks for a number of diseases including diabetes and heart disease. Anthem's website offers a variety of services including a wellness tool kit, tips for improving your health and discounts on fitness centers and treatments. Register as a member on www.Anthem.com to access these resources and don't forget to check out the Employee Assistance Program's website at www.AnthemEAP.com

On a final note, I would like to remind everyone that hasn't already, to consider moving to one of the CDHPs. After closely reviewing the cost chart on page 2, you can begin to see why 94% of our employees have already chosen a CDHP option. In addition to the lower cost, CDHP participants are reaping the benefits of health savings accounts (HSA). Since 2006, when the state initiated CDHPs, the state has deposited \$170 million into employee accounts. As of August, 2012, state employees had a

healthy balance of \$55 million in their HSAs. Explore this opportunity during the 2013 open enrollment to maximize the state's contribution to your healthcare savings.

OPEN ENROLLMENT BEGINS OCTOBER 29 AND ENDS AT NOON (EST), NOVEMBER 19, 2012.

Take the time to read the open enrollment communication, study the options, discuss the decisions with your spouse if you carry family coverage and take advantage of the resources available to you. The decisions you make during open enrollment will impact you and your family for the next year.

The highlights of the 2013 benefits include:

- Three healthcare plans (two CDHPs and one Traditional PPO)
- Non-tobacco use incentive increases from \$25 per pay period to \$35 per pay period
- Preventive care still covered at 100%
- For CDHP participants with an HSA, the state will continue to contribute 45% of the CDHP deductible into the HSAs. Once again, the state will front load the accounts by depositing one-half of its contribution into each open HSA on the first pay of 2013. The remaining contributions by the state will be divided into equal payments and spread out over the first 26 pay periods of the year. Total contributions by the state will be:
 - HSA1 -- \$1,123.20 (single); \$2,249.52 (family)
 - HSA2 -- \$673.92 (single); \$1,347.84 (family)
- Dental and vision plans and rates will remain the same
- The Medical Flexible Spending Account contribution limit will be reduced to \$2,500 as required by the Affordable Care Act

Maximum personal costs calculations*

Single Coverage	CDHP1	CDHP2	Traditional PPO
Premium	\$201.24	\$1,213.68	\$4,218.24
Maximum out-of-pocket	\$4,000.00	\$3,000.00	\$2,500.00
State's HSA contribution	(\$1,123.20)	(\$673.92)	(0)
Total maximum personal cost	\$3,078.04	\$3,539.76	\$6,718.24
Family Coverage	CDHP1	CDHP2	Traditional PPO
Premium	\$644.28	\$3,497.52	\$11,941.80
Maximum out-of-pocket	\$8,000.00	\$6,000.00	\$5,000.00
State's HSA contribution	(\$2,249.52)	(\$1,347.84)	(0)
Total maximum personal cost	\$6,394.76	\$8,149.68	\$16,941.80

*Examples assume employee is participating in the non-tobacco use incentive, using in-network providers and has an open HSA account. These comparisons represent the worst case scenario, which would include the premium costs, deductible and maximum out-of-pocket expenses for 2013.

WHAT IS NEXT?

Start now, before open enrollment launches, to learn all you can about the options and your needs.

1. Review your health expenses from this year and begin projecting next year's expenses. Log onto www.anthem.com and review your medical claims. If you have not registered with Anthem online, you will need to do that before you have access. If you are considering moving from the Traditional PPO to a CDHP, this is a resource for identifying the total costs of your common medical services. Become familiar with the cost of an office visit to your family doctor.
2. Log onto Express Script's website and look at your pharmaceutical claims (www.expressscripts.com). From there, you will have a fairly good idea of what your expenses have been and should be able to make an estimate for 2013.
3. Read and analyze all the information available to you and attend information sessions, carrier fairs, and webinars – in order to become a well-informed healthcare consumer. If you plan to take advantage of the meetings or webinars, make sure you first get your supervisor's approval. These events are usually allowed on state time.
4. Ask questions if you don't understand. Call or email the Benefits Hotline to talk with a benefits specialist.

SPD BENEFITS HOTLINE/CONTACT INFO

The new rates and more detailed information is available on the 2013 open enrollment website:

www.in.gov/spd/openenrollment

Or, contact the Benefits Hotline toll-free at 1-877-248-0007 outside of Indianapolis or 317-232-1167 within the Indianapolis area. Benefit specialists are available from 7:30 a.m. to 5 p.m. Monday through Friday, Eastern Standard Time.

You may also email your questions to SPDBenefits@spd.in.gov.

Sincerely,



Daniel L. Hackler
Director
State Personnel Department